

By: Kuempel

H.B. No. 1610

A BILL TO BE ENTITLED

AN ACT

relating to the disclosure of interested parties by business entities contracting with governmental entities or state agencies.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 2252.908(a)(3), Government Code, is amended to read as follows:

(3) "Interested party" means a person who has a controlling interest, as defined by Section 171.0001, Tax Code, in a business entity with whom a governmental entity or state agency contracts or who actively participates in facilitating the contract or negotiating the terms of the contract, including a broker, intermediary, adviser, or attorney for the business entity.

SECTION 2. Sections 2252.908(b), (d), and (f), Government Code, are amended to read as follows:

(b) This section applies only to a contract that a business entity enters into or seeks to enter into with ~~of~~ a governmental entity or state agency that:

(1) requires an action or vote by the governing body of the governmental entity or state agency before the contract may be signed; and ~~or~~

(2) has a value of at least \$10 ~~\$1~~ million.

(d) A governmental entity or state agency may not enter into a contract described by Subsection (b) with a business entity that does not have a disclosure of interested parties on file with the

1 Texas Ethics Commission [~~unless the business entity, in accordance~~  
2 ~~with this section and rules adopted under this section, submits a~~  
3 ~~disclosure of interested parties to the governmental entity or~~  
4 ~~state agency at the time the business entity submits the signed~~  
5 ~~contract to the governmental entity or state agency)].~~

6 (f) A business entity subject to this section shall submit a  
7 disclosure of interested parties to the Texas Ethics Commission:

8 (1) annually until expiration of the contract to which  
9 this section applies; and

10 (2) not later than the 30th day after the date of any  
11 material change in the interested parties previously disclosed by  
12 the business entity under this section [~~Not later than the 30th day~~  
13 ~~after the date the governmental entity or state agency receives a~~  
14 ~~disclosure of interested parties required under this section, the~~  
15 ~~governmental entity or state agency shall submit a copy of the~~  
16 ~~disclosure to the Texas Ethics Commission)].~~

17 SECTION 3. Not later than December 1, 2017, the Texas Ethics  
18 Commission shall adopt any rules necessary to comply with the  
19 changes in law made by this Act.

20 SECTION 4. The changes in law made by this Act apply only to  
21 a contract for which the request for bids or proposals or other  
22 applicable expressions of interest is made public on or after  
23 January 1, 2018.

24 SECTION 5. This Act takes effect September 1, 2017.